



Australian Bureau of Statistics

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Summary

About this Release

ABOUT THIS RELEASE

Household income inequality, as measured by the Gini coefficient, increased in Australia by 2.3% during the period between 1994-95 and 2002-03. The aim of this study was to look at factors that may have an impact on measured household income inequality. Demographic factors such as population ageing, household composition and geographic location along with one economic factor (labour market status) were examined during this study.

Data sets used in this study are from the Survey of Income and Housing (SIH). In order to compare the results with the ABS published income distribution statistics, this study uses the Gini coefficient as the main income inequality measure. A special decomposition method has been developed to analyse the SIH data from 1994-95 and 2002-03.

The results show that demographic change over the period from 1994-95 to 2002-03 did increase measured income inequality. About one third of the total increase in the measured income inequality during this period could be explained by demographic factors. The changes in the labour force status during the period tended to a reduction in the measured income inequality.

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